



**Nebraska Public Power District**

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NLS2005026

March 17, 2005

U.S. Nuclear Regulatory Commission

Attention: Document Control Desk

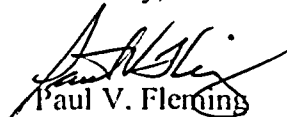
Washington, D.C. 20555-0001

Subject: Decommissioning Funding  
Cooper Nuclear Station, NRC Docket No. 50-298, DPR-46

In accordance with 10 CFR 50.75(f)(1), Reporting and Record Keeping for Decommissioning Planning, enclosed is Nebraska Public Power District's Fourth Biennial Report on Financial Assurance for Decommissioning for Cooper Nuclear Station. The report contains the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c), the amount accumulated to the end of the calendar year preceding the date of the report, a schedule of the annual amounts remaining to be collected, the assumptions used regarding rates of escalation in decommissioning costs, and the rate of earnings on decommissioning funds.

Should you have any questions concerning this matter, please contact Mr. Paul V. Fleming at (402) 825-2774.

Sincerely,

  
Paul V. Fleming  
Licensing Manager

/cb

Enclosure

cc: Regional Administrator w/enclosure  
USNRC - Region IV

Senior Project Manager w/enclosure  
USNRC - NRR Project Directorate IV-1

Senior Resident Inspector w/enclosure  
USNRC

NPG Distribution w/o enclosure

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**NEBRASKA PUBLIC POWER DISTRICT**  
**Fourth Biennial Report on Financial Assurance for Decommissioning**  
**in accordance with 10 CFR 50.75(f)(1)**

**Date:** March 17, 2005

**Station:** Cooper Nuclear Station

**Owner/licensee making the report:** Nebraska Public Power District

Nebraska Public Power District (the "District") is a public corporation and political subdivision of the state of Nebraska. The District has the power and is required to fix, establish and collect adequate rates and other charges for electrical energy and any and all commodities or services sold or furnished by it. The District is accordingly authorized to establish its own rates and other charges through which it can recover its cost of service. The District is governed by an 11-member Board of Directors who are popularly elected from the District's chartered territory. The Board of Directors is the rate making authority for the District.

**Percentage Ownership:** 100

**10 CFR 50.75 (b) & (c) Decommissioning Estimate (2004 Dollars):** \$431,376,000

**Decommissioning Fund <sup>1</sup> Total as of 12/31/2004:** \$350,749,655

**Schedule of Future Annual Fund Earnings and Decommissioning Cost Escalation <sup>2</sup>:**

Year	Beginning Balance	Funding Contribution	Funding Requirement In 2014	Fund Interest	Ending Balance	NRC Minimum Escalated
2005	\$350,749,655	0		\$19,291,231	\$370,040,886	\$431,376,000
2006	370,040,886	0		20,352,249	390,393,135	444,317,280
2007	390,393,135	0		21,471,622	411,864,757	457,646,798
2008	411,864,757	0		22,652,562	434,517,319	471,376,202
2009	434,517,319	0		23,898,453	458,415,771	485,517,488
2010	458,415,771	0		25,212,867	483,628,639	500,083,013
2011	483,628,639	0		26,599,575	510,228,214	515,085,503
2012	510,228,214	0		28,062,552	538,290,766	530,538,069
2013	538,290,766	0		29,605,992	567,896,758	546,454,211
2014	\$567,896,758	\$0	\$562,847,837	\$277,691	\$5,326,611	\$562,847,837

<sup>1</sup> This is the total amount in the external sinking fund (as described in 10 CFR 50.75) to cover the costs of NRC-defined decommissioning.

<sup>2</sup> This figure will be recalculated on an annual basis in accordance with 10 CFR 50.75 (b) and (c). The above amounts reflect the current projected annual contributions necessary to fully fund the decommissioning trust by the end of the operating license (license expiration January 18, 2014).

**Rate Assumptions**

**Rates of escalation used in estimating future decommissioning costs**

- 3%

**Rates of Earnings on Decommissioning Funds Post-tax <sup>3</sup>**

- 5.5%

**Contracts Relied Upon to Demonstrate Decommissioning Funding Assurance [50.75(e)(1)(v)]:**  
Not applicable

**Modifications to the District's Current Method of Providing Financial Assurance:** None

**Material Changes to Decommissioning Trust Agreement:** None

NOTE 1: The District continues to maintain its Decommissioning Trust Fund investments in fixed income securities as required by Nebraska State Statutes.

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<sup>3</sup> The assumed annual real rate of return is 2.50 percent. The District's Board of Directors (as the licensee's rate setting authority) has approved this assumption for the decommissioning funding plan for Cooper Nuclear Station through the adoption of a Board Resolution as part of its official business.

ATTACHMENT 3 LIST OF REGULATORY COMMITMENTS©
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Correspondence Number: NLS2005026

The following table identifies those actions committed to by Nebraska Public Power District (NPPD) in this document. Any other actions discussed in the submittal represent intended or planned actions by NPPD. They are described for information only and are not regulatory commitments. Please notify the Licensing & Regulatory Affairs Manager at Cooper Nuclear Station of any questions regarding this document or any associated regulatory commitments.

COMMITMENT	COMMITTED DATE OR OUTAGE
None	